

## Stark Opening Statement At Hearing On Methods To Improve Efficiency Among Medicare's Physicians

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Representative Pete Stark (CA-13), Chairman of the Ways and Means Health Subcommittee, delivered the following opening remarks at today's hearing on options to improve efficiency and quality among Medicare physicians.

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### STARK OPENING STATEMENT AT HEARING ON METHODS TO IMPROVE EFFICIENCY AMONG MEDICARE'S PHYSICIANS

WASHINGTON,  
D.C. -- Representative Pete Stark (D-CA), Chairman of the Ways and Means Health Subcommittee, delivered the following opening remarks at today's hearing on options to improve efficiency and quality among Medicare physicians.

"Good Morning. This hearing builds on our recent hearing with MedPAC which began to outline possible ways to reform physician payment in Medicare. Today we'll focus on long-term solutions to improve efficiency among Medicare physicians. Our goal is to move from the "Sustainable Growth Rate" or SGR to a more refined system to better control volume while also improving quality of care.

"Physicians play a critical role in caring for senior citizens and people with disabilities under Medicare. Paying them appropriately is obviously vital to the program.

"When I last chaired this Subcommittee we created the physician fee schedule to replace cost-based reimbursement for physicians. I was proud to work

closely with the physician community to find a bipartisan consensus on this approach. This system was so successful in addressing problems in physician payment that most private payers have adopted it as well.

“Despite the success of the fee schedule, a solution to curb growth in volume and intensity of physician services still eludes us. Analyses by GAO, MedPAC, and others shows that the growth in volume and intensity of physician services varies dramatically across regions, providers and specialties.

“Even worse, they find that regional variations in volume and intensity of physician services don’t seem to link to higher quality care or better outcomes. To the contrary, beneficiaries may be put at greater risk when they are subjected to more, and more complicated, procedures. These trends should be a cause of serious concern for beneficiaries and taxpayers alike.

“Unfortunately, as MedPAC testified before our Committee in March, the solutions of today can’t solve all the problems of tomorrow. And in 2007, tomorrow has arrived.

“However, there are several promising strategies to revise Medicare physician payment to more efficiently reward appropriate medical care, and that’s what we’re here to discuss.

“We are pleased to be joined today by experts who have spent years studying ways to improve physician spending in Medicare, as well as by practicing physicians who have many years experience caring for Medicare beneficiaries.

“Our witnesses will review some tangible steps we can take to improve the current situation. Specifically, they will present testimony about whether Medicare should implement a system to provide feedback to physicians on how their practice patterns compare with peers.

“Witnesses will also discuss whether Medicare should develop bundled payments for services in the physician fee schedule, both for coordinated management of chronic illness (providing a medical home, for example) as well as for episodes of highly specialized care.

"I look forward to working with my colleagues here on the dais, the physician community and other health professionals, the Administration, and patients in the coming weeks.

"I'd like to make one personal comment. My friend and constituent, Dr. Mahal, is here from Fremont, California to testify before us on behalf of the California Medical Association. I welcome him and thank him for being willing to share his wisdom with our committee today.

"Thank you, I now turn to Mr. Camp for his opening statement."